



House of Representatives

File No. 616

General Assembly

February Session, 2002

(Reprint of File No. 258)

House Bill No. 5138
As Amended by House
Amendment Schedule "A"

Approved by the Legislative Commissioner
May 4, 2002

**AN ACT CONFORMING HOUSING AUTHORITY PROCUREMENT
PROCEDURES TO FEDERAL REQUIREMENTS AND CONCERNING
THE SECURITY DEPOSIT GUARANTEE AND GRANT PROGRAM.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (c) of section 8-37x of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2002*):

4 (c) Notwithstanding any other provision of the general statutes, the
5 Commissioner of Economic and Community Development may, after
6 conducting a public bidding process as provided in section 8-44, as
7 amended by this act, enter into a master contract or contracts with
8 local, regional or state-wide suppliers of labor, supplies, materials,
9 services or personal property on behalf of one or more housing
10 authorities operating state-financed housing programs or projects.
11 [The commissioner may also approve the use by housing authorities,
12 for state-financed programs or projects, of the federal General Services
13 Administration Standard Purchasing Catalog, and amendments
14 thereto, or of the consolidated supply program of the United States

15 Department of Housing and Urban Development in lieu of purchases
16 under such master contract or contracts.] The commissioner may, in
17 his discretion, with respect to partially completed state-financed
18 programs or projects or in the event of emergencies affecting human
19 health, safety, welfare and life or endangering property, waive the
20 bidding requirement and [fiscal limits] threshold of said section 8-44.

21 Sec. 2. Section 8-44 of the general statutes is repealed and the
22 following is substituted in lieu thereof (*Effective July 1, 2002*):

23 (a) An authority shall constitute a public body corporate and politic,
24 exercising public powers and having all the powers necessary or
25 convenient to carry out the purposes and provisions of this chapter,
26 including the following enumerated powers in addition to others
27 granted by any provision of the general statutes: [(a)] (1) To sue and be
28 sued; to have a seal and to alter the same at pleasure; to have perpetual
29 succession; to make and execute contracts and other instruments
30 necessary or convenient to the exercise of the powers of the authority;
31 and to make and from time to time amend and repeal bylaws, rules
32 and regulations not inconsistent with this chapter to carry into effect
33 the powers and purposes of the authority; [(b)] (2) within its area of
34 operation, to prepare, carry out, acquire, lease and operate housing
35 projects and to provide for the construction, reconstruction,
36 improvement, alteration or repair of any housing project or any part
37 thereof either directly or in the form of loans or other similar assistance
38 to developers, all such housing projects where families with children
39 are eligible for occupancy to contain reasonably adequate outdoor
40 playground areas; [(c)] (3) to arrange or contract for the furnishing by
41 any person or agency, public or private, of services, privileges, works
42 or facilities for, or in connection with, a housing project or the
43 occupants thereof; [(d)] (4) to demise any dwellings, houses,
44 accommodations, lands, buildings, structures or facilities embraced in
45 any housing project and, subject to the limitations contained in this
46 chapter, to establish and revise the rents or charges therefor; to own,
47 hold and improve real or personal property; to purchase, lease, obtain
48 options upon or acquire, by gift, grant, bequest, devise or otherwise,

49 any real or personal property or any interest therein, provided no real
50 property or interest therein shall be acquired for the site of a proposed
51 housing project until the housing authority has held a public hearing
52 concerning such site, notice of which has been published in the form of
53 a legal advertisement in a newspaper having a substantial circulation
54 in the municipality at least twice at intervals of not less than two days,
55 the first not more than fifteen nor less than ten days, and the last not
56 less than two days, before such hearing; to insure or provide for the
57 insurance of any real or personal property or operations of the
58 authority against any risks or hazards; to procure insurance or
59 guarantees from the federal government of the payment of any debts
60 or parts thereof, whether or not incurred by such authority, secured by
61 mortgages on any property included in any of its housing projects;
62 [(e)] (5) to invest any funds held in reserves or sinking funds, or any
63 funds not required for immediate disbursements, in investments legal
64 for mutual savings banks, provided that the provisions of subdivision
65 (2) of subsection (n) of section 36-96 shall not be applicable to any such
66 investment, and to purchase its bonds at a price not more than the
67 principal amount thereof and accrued interest, all bonds so purchased
68 to be cancelled; [(f)] (6) within its area of operation, to investigate
69 living, dwelling and housing conditions and the means and methods
70 of improving such conditions; to determine where slum areas exist or
71 where there is a shortage of decent, safe and sanitary dwelling
72 accommodations for families of low and moderate income; to make
73 studies and recommendations relating to the problem of clearing,
74 replanning and reconstructing slum areas, and the problem of
75 providing dwelling accommodations for families of low and moderate
76 income, and to cooperate with the municipality or the state or any
77 political subdivision thereof in action taken in connection with such
78 problems; [(g)] (7) to promote the creation and preservation of housing
79 for low and moderate income persons and families, either directly or
80 through an agency or instrumentality designated or appointed by the
81 authority, by lending or otherwise making available to developers the
82 proceeds from the sale of obligations which are tax-exempt pursuant to
83 the provisions of the Internal Revenue Code of 1986, or any

84 subsequent corresponding internal revenue code of the United States,
85 as from time to time amended, or Section 11(b) of the United States
86 Housing Act of 1937, as amended, or any successor provisions
87 amendatory or supplementary thereto, provided no such obligations
88 or other notes or securities issued by any agency or instrumentality
89 designated or approved by the authority pursuant to the provisions of
90 this subdivision, shall create or imply any indebtedness of any kind on
91 the part of the housing authority, the state, or any political subdivision
92 thereof; and [(h)] (8) to exercise all or any part or combination of
93 powers herein granted. No provision of law with respect to the
94 operation or disposition of property by other public bodies shall be
95 applicable to an authority unless the General Assembly specifically so
96 states.

97 (b) As used in this subsection, "housing project construction work"
98 means the construction, reconstruction, improvement, alteration or
99 repair of a housing project or any part of a housing project; and
100 "simplified acquisition threshold" has the same meaning as "simplified
101 acquisition threshold", as defined in 41 USC 403(11). All contracts to be
102 made or let by an authority for housing project construction work,
103 supplies, or [for] purchases of personal property of every description,
104 shall be publicly advertised, for the purpose of receiving bids upon the
105 same, in a local daily paper and, if deemed advisable, in other papers,
106 provided the several parts of such housing project construction work,
107 supplies or personal property shall, together, involve [the] an
108 expenditure [of more than twenty-five thousand dollars] that exceeds
109 the simplified acquisition threshold. The bids received in response to
110 such public advertisement shall be publicly opened at a hearing of the
111 authority, the date and time of such hearing being named in such
112 public advertisement, and the contract or award shall be made by the
113 authority with or to the lowest responsible bidder. [Such bidding may
114 be waived by vote of the authority when the public interest so
115 requires, provided the reasons for such waiver shall be set forth and
116 made public and provided the total cost of such work, supplies or
117 personal property shall not exceed thirty thousand dollars.] Such

118 bidding shall not be required for housing project construction work,
119 supplies or personal property previously bid and contracted for by the
120 Department of Administrative Services, the federal General Services
121 Administration, the United States Department of Housing and Urban
122 Development, or a municipality. An expenditure for housing project
123 construction work, supplies or personal property which is less than or
124 equal to the simplified acquisition threshold and any expenditure for
125 legal or other professional services shall be made in accordance with
126 the competitive proposals requirements of 24 CFR 85.36. In any
127 contract let in connection with a housing project, an authority,
128 notwithstanding any provision to the contrary in this chapter or in any
129 other statute, may include stipulations requiring that the contractor
130 and any subcontractors comply with requirements as to minimum
131 wages, maximum hours and any conditions which the federal
132 government or any other obligee may have imposed as prerequisite to
133 the granting of financial aid to the housing project.

134 Sec. 3. Section 17b-802 of the general statutes, as amended by section
135 32 of public act 01-2 of the June special session and section 129 of
136 public act 01-9 of the June special session, is repealed and the following
137 is substituted in lieu thereof (*Effective July 1, 2002*):

138 (a) The Commissioner of Social Services shall establish, within
139 available appropriations, and administer a security deposit guarantee
140 program for persons who (1) (A) are recipients of temporary family
141 assistance, aid under the state supplement program, state-
142 administered general assistance or general assistance, [and to persons
143 who] or (B) have a documented showing of financial need, and (2) (A)
144 are residing in emergency shelters or other emergency housing, [or
145 who] cannot remain in permanent housing due to any reason specified
146 in subsection (a) of section 17b-808, or [is] are served a notice to quit in
147 a summary process action instituted pursuant to chapter 832, or (B)
148 have a rental assistance program or federal section 8 certificate or
149 voucher. Under such program, the Commissioner of Social Services
150 may provide security deposit guarantees for use by such persons in
151 lieu of a security deposit on a rental dwelling unit. Eligible persons

152 may receive a security deposit guarantee in an amount not to exceed
153 the equivalent of two months' rent on such rental unit. No person may
154 apply for and receive a security deposit guarantee more than once in
155 any eighteen-month period without the express authorization of the
156 Commissioner of Social Services, except as provided in subsection (b)
157 of this section. The Commissioner of Social Services may establish
158 priorities for allocating security deposit guarantees between eligible
159 persons described in subparagraphs (A) and (B) of subdivision (2) of
160 this subsection.

161 (b) In the case of any person who qualifies for a guarantee, the
162 Commissioner of Social Services, or any emergency shelter under
163 contract with the Department of Social Services to assist in the
164 administration of the security deposit guarantee program established
165 pursuant to subsection (a) of this section, may execute a written
166 agreement to pay the landlord for any damages suffered by the
167 landlord due to the tenant's failure to comply with such tenant's
168 obligations as defined in section 47a-21, provided the amount of any
169 such payment shall not exceed the amount of the requested security
170 deposit. Notwithstanding the provisions of subsection (a) of this
171 section, if a person who has previously received a grant for a security
172 deposit or a security deposit guarantee becomes eligible for a
173 subsequent security deposit guarantee within eighteen months after a
174 claim has been paid on a prior security deposit guarantee, such person
175 may receive a security deposit guarantee. The amount of the
176 subsequent security deposit guarantee for which such person would
177 otherwise have been eligible shall be reduced by (1) any amount of a
178 previous grant which has not been returned to the department
179 pursuant to section 47a-21, or (2) the amount of any payment made to
180 the landlord for damages pursuant to this subsection.

181 (c) Any payment made pursuant to this section to any person
182 receiving temporary family assistance, aid under the state supplement
183 program, general assistance or state-administered general assistance
184 shall not be deducted from the amount of assistance to which the
185 recipient would otherwise be entitled.

186 (d) On and after July 1, 2000, no special need or special benefit
187 payments shall be made by the commissioner for security deposits
188 from the temporary family assistance, state supplement, state-
189 administered general assistance or general assistance programs.

190 (e) The Commissioner of Social Services may, within available
191 appropriations, on a case-by-case basis, provide a security deposit
192 grant to a person [residing in an emergency shelter or other emergency
193 housing or to a person who cannot remain in permanent housing due
194 to any reason specified in subsection (a) of section 17b-808 or is served
195 of a notice to quit in a summary process action instituted pursuant to
196 chapter 832] eligible for the security deposit guarantee program
197 established under subsection (a) of this section, in an amount not to
198 exceed the equivalent of one month's rent on such rental unit provided
199 the commissioner determines that emergency circumstances exist
200 which threaten the health, safety or welfare of a child who resides with
201 such person. Such person shall not be eligible for more than one such
202 grant without the authorization of said commissioner. Nothing in this
203 section shall preclude the approval of such one-month security deposit
204 grant in conjunction with a one-month security deposit guarantee.

205 (f) The Commissioner of Social Services may provide a security
206 deposit grant to a person receiving such grant through any emergency
207 shelter under an existing contract with the Department of Social
208 Services to assist in the administration of the security deposit program,
209 but in no event shall a payment be authorized after October 1, 2000.
210 Nothing in this section shall preclude the commissioner from entering
211 into a contract with one or more emergency shelters for the purpose of
212 issuing security deposit guarantees.

213 (g) The Commissioner of Social Services shall adopt regulations, in
214 accordance with the provisions of chapter 54, to administer the
215 program established pursuant to this section and to set eligibility
216 criteria for the program, but may implement the program until
217 [January 1, 2002] June 30, 2003, while in the process of adopting such
218 regulations provided notice of intent to adopt the regulations is

219 published in the Connecticut Law Journal within twenty days after
220 implementation.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>
Sec. 3	<i>July 1, 2002</i>

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Fund-Type	Agency Affected	FY 03 \$	FY 04 \$
GF - See Below	Social Services, Dept.	See Below	See Below
GF - Cost	Econ. & Com. Development, Dept.	None	None

Note: GF=General Fund

Municipal Impact:

Effect	Municipalities	FY 03 \$	FY 04 \$
Savings	Housing Authorities	Potential Minimal	Potential Minimal

Explanation

This bill, which makes housing authority purchasing and procurement procedures consistent with federal law, would have no fiscal impact on the Department of Economic and Community Development. The bill may result in potential minimal administrative savings to housing authorities. In particular, smaller housing agencies may realize administrative savings as the changes in procurement and bidding requirements are less burdensome than the requirements under current law.

Additionally, the bill expands eligibility for the Department of Social Services' (DSS) security deposit guarantee program to include individuals participating in the state's Rental Assistance Program or the Section 8 program. The bill further stipulates that the DSS Commissioner may establish priorities for issuing deposit guarantees between the existing eligibility group and the new eligibility group established by this bill.

As the security deposit guarantee program is currently operated on the basis of available appropriations, expanding eligibility will not necessarily lead to increased state expenditures (SB 660, the Appropriations Act, as passed by the Senate and House and vetoed by the Governor, contained no additional funds for the expansion included in this bill). DSS may utilize funds from the restricted, non-lapsing Security Deposit Reserve account to serve a portion of the expanded eligibility group. This account is funded through deposits returned to the department. At this time, it is not known to what extent resources from the reserve account would be available to fund this expanded population.

House Amendment "A" expands eligibility to the DSS security deposit guarantee program to include individuals participating in the state's Rental Assistance Program or the Section 8 program, the fiscal impact of which is detailed above.

OLR Amended Bill Analysis

HB 5138 (as amended by House "A")*

AN ACT CONFORMING HOUSING AUTHORITY PROCUREMENT PROCEDURES TO FEDERAL REQUIREMENTS AND CONCERNING THE SECURITY DEPOSIT GUARANTEE AND GRANT PROGRAM

SUMMARY:

This bill (1) makes more people eligible for the security deposit guarantee and grant programs and (2) makes state housing authority purchasing procedures consistent with federal laws in several ways.

The bill broadens the eligibility criteria for the security deposit guarantee program to include people with state rental assistance program (RAP) or federal Section 8 certificates or vouchers. Under current law, people are eligible for the program if they are on some form of public assistance or have a financial need and have lost, or are in danger of losing, their residence. The bill also makes several related changes, including allowing the social services commissioner to prioritize allocating security deposit guarantees between certain eligible people.

The bill also makes people with RAP or Section 8 certificates or vouchers or receiving some form of public assistance eligible for the security deposit grant program.

The bill makes state housing authority purchasing and procurement procedures consistent with federal law in three ways. It:

1. raises the spending threshold that triggers bidding requirements from exceeding \$25,000 to exceeding \$100,000 (federal threshold) and specifies that the requirements apply only to housing project construction work, supplies, or personal property;
2. imposes federal competitive proposal requirements for purchases at or below \$100,000; and
3. removes procurement of professional services at any expense level from bidding requirements and places it under federal competitive

proposal requirements.

Under current law, all contracts or purchases involving an expenditure of more than \$25,000 must follow a competitive bid process, and no distinction is made between construction work and professional services. Current law allows an authority to waive the bid process for contracts up to \$30,000 by a vote of the authority board if it states the waiver is in the public interest.

The bill makes several conforming changes.

*House Amendment "A" adds the provision concerning the security deposit guarantee and grant program.

EFFECTIVE DATE: July 1, 2002

SECURITY DEPOSIT GUARANTEE AND GRANT PROGRAM

Guarantee Changes

The bill broadens the eligibility criteria for the security deposit guarantee program to include people with state RAP or federal Section 8 certificates or vouchers. By law, the Department of Social Services (DSS) provides security deposit guarantees, within available appropriations, to people meeting the program's criteria.

Under current law, the guarantee program is available to people who (1) receive temporary family assistance, supplemental aid, or general assistance or (2) have a documented financial need and (a) live in emergency shelters or other emergency housing, (b) cannot remain in permanent housing due to circumstances beyond their control (specified in statutes), or (c) have received an eviction action notice.

The bill also broadens the existing criteria in that a person need meet only one of the named criteria, instead of two. Under the bill, a person only needs to meet one of the following: (1) receive public assistance, (2) have a documented financial need, (3) live in a shelter or other emergency housing, (4) cannot remain in permanent housing due to circumstances beyond their control, (5) have received an eviction action notice, or (6) have a RAP or Section 8 certificate or voucher.

Under the bill the DSS commissioner may establish priorities for

allocating security guarantees between eligible people among two groups: (1) those (a) living in emergency shelters or other emergency housing, (b) who cannot remain in permanent housing due to circumstances beyond their control, (c) who have received an eviction action notice, and (2) those who have a RAP or Section 8 certificate or voucher.

Grant Changes

By law, DSS can offer a limited number of security deposit grants to people (1) living in shelters, (2) in danger of losing their housing due to circumstances beyond their control, and (3) who have received an eviction action notice. The bill expands who is eligible for the security deposit grant program to people (1) with RAP or federal Section 8 certificates or vouchers and (2) receiving some form of public assistance. The grants cannot exceed one month's rent.

Regulations

The bill extends the deadline for adopting program regulations from January 1, 2002 to June 30, 2003.

CONTRACTS AND PURCHASES SUBJECT TO BIDDING REQUIREMENTS

The bill defines "housing project construction work" as the construction, reconstruction, improvement, alteration, or repair of a housing project or any part of a housing project. It also states that "simplified acquisition threshold" has the same meaning as in federal public contract law, which currently sets the threshold at \$100,000. The bill applies the existing state bidding requirements (including bid advertising, public bid opening, and awarding the contract to the lowest responsible bidder) to housing project construction work or supply contracts and personal property purchases of more than \$100,000.

CONTRACTS, PURCHASES, AND PROFESSIONAL SERVICES NOT SUBJECT TO BIDDING REQUIREMENTS

The bill makes (1) contracts and purchases of \$100,000 or less and (2) professional services of any price subject to the federal standard for the competitive proposals process. This process requires (1) public

requests for proposals, (2) soliciting proposals from qualified sources, (3) technical evaluations of proposals, and (4) contract awards made to the responsible source deemed most advantageous to the housing authority, considering price and other factors.

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Change of Reference

Yea 9 Nay 0

Planning and Development Committee

Joint Favorable Report

Yea 17 Nay 0